

## **MINUTES OF MEETING**

The 338<sup>th</sup> meeting of the Rhode Island Student Loan Authority was held on Thursday, September 1, 2016 in the 3<sup>rd</sup> Floor Conference Room, 935 Jefferson Boulevard, Warwick, Rhode Island.

### **Members in attendance:**

Mr. Robert J. Delaney  
Ms. Christine Barnes Jenkins  
Mr. Robert R. Theroux  
Mr. Seth Magaziner, General Treasurer, State of RI

### **Member Absent:**

Mr. Daniel Egan  
Ms. Sandra Mack, Esq.

### **Others in attendance:**

Mr. Charles Kelley  
Mr. Noel Simpson  
Ms. Jennifer Dutch  
Mr. Kevan McAleer  
Ms. Debbie Machowski  
Mr. Joseph Palumbo  
Mr. James R. McGuirk  
Ms. Kelly Carpenter  
Ms. Bea Lanzi

The meeting was called to order at 8:40 a.m. by Mr. Delaney.

Upon a motion made by Mr. Theroux and seconded by Ms. Jenkins, it was unanimously

VOTED to approve the minutes from the June 24, 2016 Board of Director's Meeting.

### **Chairman's Report**

Mr. Delaney briefly commented on legislation that was signed into law allowing RISLA to offer bonds for the refinancing of student debt thereby allowing eligible students the ability to take advantage of lower interest rates, lower overall debt burden and/or lower monthly payments.

### **Executive Director's Report**

Mr. Kelley highlighted a New York Times article which criticized the New Jersey Student Loan Program for some of its practices. He took this opportunity to make the board aware of various initiatives RISLA has adopted over many years to treat borrowers and their families fairly while maintaining fiscal

responsibility. Such benefits include loan forgiveness for death and permanent disability, income based repayment, credit rehabilitation, military deferment, and default prevention.

#### College Planning Center Activity Report and Planned Activities

Mr. Kelley provided a College Planning Center update.

Mr. Kelley announced a tentative schedule of upcoming events:

9/7 – Announce Student Loan Repayment Solutions and the website for employees

9/21 – Annual College Fair at McCoy Stadium

9/30 – Reach Higher FAFSA event at Classical High School

10/27 – Reach Higher FAFSA event at Rogers High School in Newport

#### Audit Subcommittee Report – Robert Theroux

Mr. Theroux provided a brief report of the audit subcommittee meeting held on August 19, 2016 in which the committee met with RISLA auditors Marcum LLP, which stated that RISLA's financial records have been properly maintained and are working on drafts of the financials to provide to the board for approval by the September 30 deadline.

Upon a motion made by Mr. Magaziner and seconded by Ms. Jenkins, it was unanimously

VOTED to accept the audit subcommittee report.

#### RISLA's Student Loan Repayment Solutions Initiative

RISLA will offer a free online resource and one-on-one counseling to help employees gather and organize their student loan information.

#### Policy Recommendation Relating to Legislation Enabling RISLA to Purchase Its Own Bonds

In July, 2016, RISLA's enabling legislation was amended to allow RISLA to purchase its own bonds at issuance or in the secondary market and then sell them as credit against future redemptions or maturities. Prior to the amendment, RISLA was allowed to purchase its own bonds but would have to retire them immediately. Before any action can be taken, RISLA staff would have cash flow projections prepared, consultations with financial advisors and bond counsel and seek review and approval from the board.

It was suggested to have item c) of the Policy for RISLA Purchasing Its Own Bonds to be changed to "RISLA shall obtain an opinion and approval from bond counsel prior to any purchase of its bonds in order to ensure compliance with tax regulations and guidance."

#### ACTION ITEM: RISLA Bond Purchase Policy

No vote was taken, will revisit at next meeting after changes made to policy as suggested above.

#### College Planning Center Leases – Recommendations for Warwick and Bristol

Mr. Kelley recommended renewing the Warwick Mall lease expiring at the end of September for an additional three years. He added that this site is what most of RI identifies as the CPC and has been located at the mall for the past 16 years.

#### ACTION ITEM: Warwick Mall Lease

Upon a motion made by Mr. Theroux and seconded by Mr. Magaziner, it was unanimously

VOTED to approve the Warwick Mall Lease

Mr. Kelley discussed the Bristol lease that is expiring in November 2016. He said that the location has come under new management which is seeking to pass along significant common area and special

assessment costs. He recommended against renewing this lease while staff evaluates other potential sites in that area.

**ACTION ITEM: Bristol Lease**

No vote taken at this time

**Quarterly CFPB Update**

Mr. Simpson provided a quarterly review of the CFPB complaint data base and RISLA's customer complaint system. He identified two complaints that have been filed with the CFPB and that both were resolved in a timely manner with the CFPB with a positive outcome. The first was a late fee charged by RISLA on a borrower's delinquent account which resulted in RISLA changing its late fee policy. The second was a claim filed on a deceased co-borrower's estate involving a dispute among members of the estate and the complaint has been resolved and the borrowers are now making payments.

Upon a motion made by Mr. Theroux and seconded by Mr. Magaziner, it was unanimously

VOTED to adjourn at 9:45 a.m.

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Mr. Robert Theroux

Secretary